

The Honorable Jamal N. Whitehead

**UNITED STATES COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

DEJAVUAI INC.,

2:25-cv-00915-JNW

Plaintiff,

V.

FYODOR KAPUSTIN also known as TED
also known as FYODOR KAPOUSTINE.

**DEFENDANT'S OPPOSITION TO
PLAINTIFF'S MOTION FOR
PRELIMINARY INJUNCTION**

Defendant.

I. RELIEF REQUESTED

Plaintiff DejaVu Inc. (“Plaintiff”) seeks to convert the entered temporary restraining order (the “TRO”, Dkt 21) into a preliminary injunction that would prohibit Defendant Fedor “Ted” Kapoustine (“Defendant” or “Mr. Kapoustine”), a former board director of Plaintiff, from engaging in any business that competes with Plaintiff. However, Plaintiff fails to show credible evidence and sufficient legal authority to justify such a sweeping competition ban against Defendant—especially when there are not

DEFENDANT'S OPPOSITION TO
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Case No. 2:25-cv-00915-JNW

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1 ongoing or future fiduciary duties owed by Mr. Kapoustine to Plaintiff after his
 2 resignation on June 17, 2025, as a board director, or any alleged contractual restrictions
 3 relied upon by Plaintiff is likely to be void and unenforceable.

5 Mr. Kapoustine does not oppose extending the TRO provisions into a preliminary
 6 injunction that prohibits him from contacting those identified contacts in the TRO whom
 7 Mr. Kapustin became aware of by virtue of his former directorship with Plaintiff; nor does
 8 he oppose the continuation of the TRO provisions that would prohibit him from
 9 disparaging Plaintiff or interfering with Plaintiff's business operation. However,
 10 Plaintiff's request to enjoin Mr. Kapoustine's lawful competition with Dejavuai Inc., as
 11 shown below, is overreaching and unwarranted.

14 The Court should deny Plaintiff's request to extend bullet-pointed Paragraph 3 of
 15 the TRO, concerning competition, into any preliminary injunction. There is no legal basis
 16 for a competition ban against Mr. Kapoustine. Accordingly, Mr. Kapoustine respectfully
 17 requests that the Court limit any injunctive relief to the undisputed provisions of the TRO,
 18 and allow him to conduct, and continue conducting, business based on the technology that
 19 he invented way before Plaintiff's birth and retains ownership; and also allow Mr.
 20 Kapoustine to lawfully compete with Plaintiff.

II. STATEMENT OF FACTS

Mr. Kapoustine is a Canadian software engineer expert and specializes in the field of image comparison algorithm development. ¶4, Fedor Kapoustine’s Declaration ISO Defendant’s Opposition to Plaintiff’s Motion for Preliminary Injunction (“Kapoustine’s Declaration”). After moving to the United States in 2005, he has worked for major U.S. technology companies including Amazon, Facebook, and Microsoft. *Id.* In 2003, while residing in Canada, Mr. Kapoustine began developing what would become the DejaVuAI technology, a cutting-edge image comparison algorithm with wide-ranging applications, including criminal investigations, navigation, and biometric identification. *Id.*, ¶¶5-6. This technology would be recognized by its users as unmatched by any existing technologies in the same field. Mr. Kapoustine wrote the source code of the algorithm and has been maintaining the code in multiple ways, including bug fixing, code refactoring, adding and testing new features, and implementing new applications based on the code. He built and maintained the technology independently, using his personal resources and time. By 2017, the core algorithm was production-ready and capable of supporting commercial applications. Mr. Kapoustine named it DejaVuAI. *Id.*

Since then, Mr. Kapoustine has successfully implemented his DejaVuAI technology in end-user software, in the form of executables, that could be purchased and used by customers in real application scenarios.

1 Despite being technically skilled, Mr. Kapoustine lacked experience in promoting
 2 and marketing his DejaVuAI technology. Once the DejaVuAI technology reached a
 3 mature stage, he began actively seeking business opportunities. In May 2018, Mr.
 4 Kapoustine demonstrated his technology to Johnny Kessler, a man Mr. Kapoustine
 5 knew from work and considered a businessman and salesperson. *Id.*, ¶7. Mr. Kessler
 6 was impressed and expressed to Mr. Kapoustine that he would be interested in helping
 7 Mr. Kapoustine with marketing and selling DejaVuAI. *Id.*

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 9
 10 In 2020, Mr. Kapoustine and Mr. Kessler co-founded 1st1 Technologies LLP, with
 11 the understanding that Mr. Kapoustine would remain the sole owner and inventor of
 12 the technology, while Mr. Kessler would handle business operations. *Id.*, ¶8.

13
 14 The 1st1 Technologies LLP Operating Agreement shows that Mr. Kapoustine
 15 retained full ownership of the DejaVuAI technology. *Id.* ¶9 & Ex. 1. He never
 16 transferred the source code or underlying algorithms to the partnership or any third
 17 party. In March 2023, he was granted an O-1 visa based on his extraordinary technical
 18 expertise, and has since then served as the partnership's Chief Technology Officer
 19 ("CTO"). *Id.*, ¶10 & Ex. 2. His visa was sponsored solely by 1st1 Technologies LLP as his
 20 U.S. employer, and he could not legally work for any other U.S. employers without
 21 amending his visa application. *Id.*, ¶18 & Ex. 11.

22
 23
 24 In August 2022, Mr. Kessler proposed to incorporate a new entity to boost the
 25 business and attract investors who preferred investing in a corporation. *Id.*, ¶¶11, 14.

1 Mr. Kapoustine agreed, with the condition that he retain the sole ownership of the
 2 DejaVuAI technology, and Mr. Kessler accepted it. *Id.* In September 2022, DejaVuAI
 3 Inc., now the Plaintiff in this lawsuit, was incorporated. *Id.*, & Ex. 3. Both Mr.
 4 Kapoustine and Mr. Kessler were initial directors on Plaintiff's board.
 5

6 However, disputes soon emerged. Beginning in late 2022, Mr. Kessler began
 7 misrepresenting the origins and ownership of the DejaVuAI technology to business
 8 partners and customers, mispresenting DejaVuAI Inc. as the developer of the technology
 9 and successor to 1st1 Technologies LLP. *Id.*, ¶15. The misrepresentation also included
 10 the use of 1st1 Technologies LLP's trade names to cover its distinctness from DejaVuAI
 11 Inc., and the concealment of Mr. Kapoustine's role as the real owner and developer of
 12 the DejaVuAI technology. *Id.*, ¶¶12-13, 15 & Ex. 12. These tactics enabled DejaVuAI,
 13 Inc. to make money by selling software built on Mr. Kapoustine's technology without a
 14 license.
 15

16 In early 2023, Mr. Kapoustine discovered that DejaVuAI, Inc. was distributing
 17 executables based on his technology without authorization and had acquired licensing
 18 tools reserved for use by 1st1 Technologies LLP. *Id.*, ¶24. When Mr. Kapoustine raised
 19 concerns, Mr. Kessler refused to sign a licensing agreement but instead escalated the
 20 conflict. *Id.*, ¶¶24-25.
 21

22 Led by Mr. Kessler, DejaVuAI Inc. also falsely claims that it employed Mr.
 23 Kapoustine and accordingly owns the DejaVuAI technology. *Id.*, ¶¶17-22. Mr.
 24

1 Kapoustine is also upset by the fact that DejaVuAI Inc. has been trading with customers
 2 who would and should be customers of 1st1 Technologies LLP and making money by
 3 selling executables of the DejavuAI technology that was created and developed by Mr.
 4 Kapoustine, while whether or how Mr. Kapoustine could benefit from those transactions
 5 are now subject to Mr. Kessler's say.
 6

7 Moreover, without Mr. Kapoustine's knowledge or consent, DejaVuAI, Inc., rather
 8 than 1st1 Technologies LLP, began issuing his paychecks and W-2 forms. *Id.*, ¶21 & Ex.
 9 6. As reflected in the 2023 and 2024 W-2s issued by DejaVuAI, Inc., his reported salary
 10 did not exceed \$100,000 in either year.
 11

12 While many could be and will be disputed in this lawsuit, at least the following
 13 remain clear: First, by the middle of 2022 (and about three months before Plaintiff's
 14 incorporation), Mr. Kapoustine had developed his DejaVuAI technology to the stage that
 15 it was ripe enough to be commercialized and could generate various profitable products
 16 in the real world. Second, Mr. Kapoustine could not be lawfully employed by DejaVuAI,
 17 Inc. and has never become an employee of this corporation. Lastly, the DejaVuAI
 18 technology has never been transferred to DejaVuAI, Inc.
 19

20 The disputes between Mr. Kessler and Mr. Kapoustine deepened in early 2025.
 21 Mr. Kessler sought to commercialize not just the executable software based on Mr.
 22 Kapoustine's technology, but the source code and the proprietary algorithms
 23 themselves—none of which has ever been transferred to or shared with DejaVuAI, Inc.
 24

1 *Id.* On February 5, 2025, Mr. Kessler abruptly disabled Mr. Kapoustine's work email
 2 ted@dejavuai.com without notice. *Id.* ¶26. That same day, the two had an argument
 3 during a contentious board meeting. *Id.* On February 11, DejaVuAI, Inc. sent Mr.
 4 Kapoustine a demand letter ordering him to return the source code, an implicit
 5 acknowledgment that the corporation had never possessed it. ¶27 & Ex. 9. A
 6 termination letter followed. *Id.*, ¶27 & Ex. 8.

9 While Mr. Kapoustine remained as a director of DejaVuAI, Inc. after Feburary 11,
 10 2025, he was excluded from all subsequent board communications. He also stopped
 11 receiving salary from 1st1 Technologies, despite never being formally discharged. His O-
 12 1 visa was terminated in May 2025, leaving him without income or lawful U.S. work
 13 authorization. *Id.*, ¶29.

14 In April and May 2025, facing exclusion and financial pressure, Mr. Kapoustine
 15 contacted a small number of individuals, including directors, shareholders, and prior
 16 business partners, to raise legitimate concerns that DejaVuAI, Inc. was distributing
 17 software based on his technology without a valid license. *Id.*, ¶30. These
 18 communications were made in good faith, with the purpose not to harm the corporation
 19 or solicit business for himself, but to protect his intellectual property, seek resolution,
 20 and notify third parties and stakeholders of potential unauthorized use and potential
 21 legal risks. In fact, prior to doing so, Mr. Kapoustine attempted to resolve the matter
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internally, including proposing a license agreement, but his efforts were to no avail. *Id.*, ¶¶24-25, 31-32.

Today, DejaVuAI, Inc. markets three software products, Photon, Photon ES, and PAC.ID.¹ It mostly targets industrial, corporate customers instead of individual customers.

In reality, only Photon ES is a mature product that is marketed to a certain clientele who could afford an annual subscription cost of \$200,000. *Id.*, ¶¶33-34. Mr. Kapoustine, based on his DejaVuAI technology, is capable of developing improved and more affordable software, including consumer-facing applications. He needs and should have the right to market his own products and make money out of it.

On June 17, 2025, Mr. Kapoustine resigned as a director of DejaVuAI Inc. by delivering a notice to counsel of the corporation. *Id.*, ¶35 & Ex. 10. He remains a partner of 1st1 Technologies LLP. *Id.*, ¶36 & Ex. 10.

III. ISSUE PRESENTED

1. Whether the Court should decline to extend the competition ban contained in the TRO entered on May 22, 2025 as a preliminary injunction, when (1) Mr. Kapoustine has resigned as a board director of Plaintiff, (2) the non-compete clause contained in the PIIA between the parties is likely unenforceable, (3) the ownership of the DejavuAI technology especially the underlying source code remains disputed, and (4) Plaintiff has shown no irreparable harm from fair and lawful competition? **Yes.**

¹ See DejaVu AI Inc. website, <https://dejavuai.com/products/> (last visited July 14, 2025).

IV. EVIDENCE RELIED UPON

This Motion relies upon the declaration of Defendant Fedor “Ted” Kapoustine, and the exhibits attached thereto, as well as the pleadings and filings already on record in this matter.

V. ARGUMENT AND AUTHORITIES

Mr. Kapoustine does not dispute the legal standard governing the injunctive relief at issue here, as articulated in Plaintiff's Motion. Dkt 10, p. 9. He does, however, oppose the extension of the TRO under such a standard into a preliminary injunction broadly limiting his business competition against the Plaintiff.

A. Mr. Kapoustine's Resignation from Plaintiff's Board Eliminates Any Ongoing Fiduciary Duties Owed to Plaintiff and therefore the Legal Basis for Broad Injunction against Competition.

On June 17, 2025, Mr. Kapoustine formally resigned from Plaintiff's board of directors by email, and Plaintiff accepted his resignation the same day. See Ex. 10. From that point forward, Mr. Kapoustine no longer owes any fiduciary duties to Plaintiff in the capacity of its director.

A director's fiduciary duties end upon resignation. See RCW 23B.08.300 (establishing that a director's fiduciary duties apply when the director is discharging the duties of office); see also *Tribal Behav. Health LLC v. Reeves*, No. CV-22-00926-PHX-SPL, 2022 U.S. Dist. LEXIS 112186, at *12 (D. Ariz. June 24, 2022) (fiduciary duties cease upon

1 resignation); *Lodis v. Corbis Holdings, Inc.*, 2010 Wash. Super. LEXIS 1842 (holding
 2 fiduciary duties ended when employment terminated). Further, where the parties'
 3 relationship turns adversarial, as here, any common law fiduciary duties are extinguished.
 4 *Guarino v. Interactive Objects, Inc.*, 122 Wn. App. 95, 129, 86 P.3d 1175 (2004) (the court
 5 held that once the parties become adversaries, no common law fiduciary duty remains).
 6

7 Moreover, courts do not grant injunctive relief for past breaches absent ongoing
 8 harm. Injunctions are prospective, not punitive. See *TransUnion LLC v. Ramirez*, 594 U.S.
 9 413, 435 (2021) (“a person exposed to a risk of *future* harm may pursue *forward-looking*,
 10 injunctive relief... if the risk is sufficiently imminent and substantial”) [emphasis added].
 11 Courts in the Ninth Circuit consistently reject injunctions based on past wrongdoing
 12 absent evidence of continuing violation. In *Perrin Bernard Supowitz, LLC v. Morales*, the
 13 Ninth Circuit affirmed the denial of a preliminary injunction where former employees had
 14 allegedly misappropriated trade secrets, but no ongoing misuse was shown. The risk of
 15 harm had dissipated, and the court declined to “impede lawful competition” merely
 16 because prior misconduct may have occurred. No. 23-55189, 2023 WL 1415572, at *2-3
 17 (9th Cir. Feb. 5, 2024). Likewise, in *Davis v. Cox*, the Washington Court of Appeals also
 18 denied injunctive relief against former directors, explaining that they no longer had any
 19 role in corporate governance, and therefore no ongoing ability to cause harm. No. 51770-
 20 1-II, 2020 Wash. App. LEXIS 377, at *11 (Feb. 19, 2020).
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1 Here, Mr. Kapoustine no longer owes ongoing fiduciary duties to Plaintiff after his
 2 resignation effective on June 17, 2025. Like the defendants in *Davis v. Cox*, since his
 3 resignation from the Board, Mr. Kapoustine no longer has the capacity to interfere with
 4 Plaintiff's internal governance and therefore lacks the ability to cause future harm to
 5 Plaintiff as an insider of Plaintiff's governance. The legal basis for extending bullet-
 6 pointed Paragraph 3 of the TRO into a preliminary injunction must rest on something
 7 else—or it would not exist.

10

11 **B. The Scope of the Injunction Should Exclude the Ban on Competition**
 12 **Because the PIIA's Non-Compete Clause Is Likely to Be Void and**
 13 **Unenforceable.**

14 Plaintiff's request to enjoin Mr. Kapoustine from engaging in any competing
 15 business also relies, in part, on a non-compete provision in the Proprietary Information
 16 and Inventions Agreement (the "PIIA") between the parties. *See Ex. 4.*² Mr. Kapoustine
 17 disagrees that he has ever been employed by Plaintiff as an employee. But even assuming
 18 Plaintiff can prove such employment, such non-compete provision is likely to be void and
 19 unenforceable under Washington's Noncompetition Covenants Act (RCW 49.62) for the
 20 following *independent* reasons:

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26 ² In its Motion for Preliminary Injunction, Plaintiff referenced this document as a "Employment
 27 Agreement" between the parties. Mr. Kapustin, based on the reasons provided in this Opposition, disagree
 with such characterization of document's nature, and will identify and refer to this document with its
 original and real name in this briefing.

1 First, RCW 49.62.020(1)(b) provides that a noncompetition covenant is
 2 unenforceable unless the employee earned more than \$100,000 per year from the
 3 enforcing party (or \$250,000 in the case of an independent contractor under RCW
 4 49.02.030). Based on the W2 forms Mr. Kapoustine received from Plaintiffs in the years
 5 2023 and 2024, Mr. Kapoustine's compensation ranged from \$70,000 to \$80,000, and did
 6 not exceed that threshold. If the alleged employment could not be established, then
 7 Plaintiff would have to prove that Mr. Kapoustine's earnings from Plaintiff to be more
 8 than \$250,000 under RCW 49.62.030(1). Unless Plaintiff can prove it paid compensation
 9 in such amount Mr. Kapoustine, the non-compete provision is void on its face under this
 10 statute.

14 Second, RCW 49.62.020(1)(a) requires the employer to disclose the terms of the
 15 non-compete in writing before or at the time of the job offer, or to provide independent
 16 consideration if the agreement is signed later. Here, the PIIA was presented to Mr.
 17 Kapoustine and signed by him electronically on June 13, 2023, with a pack of documents
 18 under the "Initial Board Consent" 3. Ex. 7. There is no indication that Mr. Kapoustine
 19 ever received any formal or independent disclosure of such non-compete provision, and
 20 there is no evidence showing that any separate compensation was paid to Mr. Kapoustine
 21 specifically for agreeing to such non-compete provision. As a result, this requirement was
 22 also likely not satisfied, and it *alone* can render the non-compete provision void.
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1 Third, under RCW 49.62.020(1)(c), if a non-compete is to be enforced following a
 2 layoff, the employer must pay the employee's base salary during the restriction period,
 3 offset by other income. Alleging Mr. Kapoustine to be a former employee, Plaintiff
 4 unilaterally terminated his alleged employment on February 11, 2025, without providing
 5 any salary continuation. Although "layoff" is not defined in the statute, its ordinary
 6 meaning (including definitions in Black's Law Dictionary) supports the view that
 7 involuntary termination without cause, especially amid the employee's fault, qualifies.
 8 Thus, this statutory provision *alone* may also bar enforcement.

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 10 While the 12-month duration of the restriction under the PIIA falls within the
 11 presumptively reasonable limit under RCW 49.62.020(2), that alone is insufficient to save
 12 the clause from statutory invalidity under the other provisions above.

13
 14 Beyond these specific statutory violations, the public policy of Washington strongly
 15 disfavors non-compete enforcement in circumstances like this. The Legislature has
 16 declared that "workforce mobility is important to economic growth and development," and
 17 that the Act is intended to facilitate mobility and protect employees. RCW 49.62.005.
 18 Preventing Mr. Kapoustine from earning a living by building new technology using his
 19 own pre-existing code would frustrate that purpose.

20
 21 Accordingly, the non-compete provision in the PIIA is unlikely to supply the legal
 22 basis the Court needs to extend the bullet-pointed Paragraph 3 of the TRO, i.e., the
 23 blanket ban on "selling, offering for sale, marketing, or otherwise conducting business..."

1 in competition with DejaVuAI [Inc].” No injunctive relief may rely on an invalid
 2 restrictive covenant.
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4 **C. Other than the Breach of Fiduciary Duty Claim, Plaintiff Has Not
 5 Established that It Will Likely Prevail on Any of Its Causes of Action.**

6 The Court entered the TRO *exclusively* based on the alleged violations of fiduciary
 7 duty owed by Mr. Kapoustine to Plaintiff as its director. Dkt 21, pp. 5-7. Other than this
 8 claim, Plaintiff has not offered sufficient evidence to establish that it will likely prevail
 9 on any other cause of action. On the contrary, the operating agreement of 1st1
 10 Technologies LLP and the supporting materials for the partnership’s petition for Mr.
 11 Kapoustine’s O-1 visa, both signed by Mr. Kessler, clearly show that Mr. Kapoustine has
 12 been the sole inventor and owner of the DejavuAI technology and the underlying source
 13 code. See Ex. 1. It is also evident that ripe products based on Mr. Kapoustine’s technology
 14 were already sold and had a great market in the United States *before* Plaintiff’s
 15 incorporation. Whether the ownership of Mr. Kapoustine’s technology, especially the
 16 source code that has been authored and maintained all by himself, has ever changed after
 17 Plaintiff’s incorporation, or if Mr. Kapoustine has ever misappropriated any trade secret
 18 of Plaintiff’s, remains disputed, if not strongly in favor of Mr. Kapoustine. Other than the
 19 breach of fiduciary duty, there is no other basis for the Court to enter a preliminary
 20 injunction broadly limiting Mr. Kapoustine’s lawful competition with Plaintiff.
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1 **D. Permitting Mr. Kapoustine to Independently Conduct Business
2 Based on the Technology He Invented and Developed Before His Affiliation
3 with Plaintiff Would Not Cause Irreparable Harm to Plaintiff, Even If It May
4 Result in Competition with Plaintiff.**

5 Plaintiff has failed to show that allowing Mr. Kapoustine to continue using source
6 code or technology he developed independently, before his affiliation with Plaintiff,
7 would result in any irreparable harm. In fact, the record suggests that the technology
8 Mr. Kapoustine is currently working with originated prior to the formation of DejavuAI
9 and was developed outside the scope of any employment or fiduciary duty to Plaintiff or
10 with 1st1 Technology. Plaintiff has not shown in its Motion for Temporary Restraining
11 Order that it would prevail in its misappropriation of trade secret claim or any dispute
12 relating to the ownership of the source code developed by Mr. Kapoustine
13 independently.

14 To obtain a preliminary injunction, a plaintiff must demonstrate that it will suffer
15 irreparable harm absent immediate court intervention. Mere speculation, economic loss,
16 or ordinary competitive injury does not meet this standard. *Winter v. Natural Res. Def.
17 Council, Inc.*, 555 U.S. 7, 22 (2008); *Herb Reed Enters., LLC v. Fla. Entm't Mgmt., Inc.*,
18 736 F.3d 1239, 1250 (9th Cir. 2013) (plaintiff must demonstrate "likely" irreparable harm,
19 not mere conclusory allegations).

20 Here, Plaintiff has not identified any concrete or imminent harm resulting from Mr.
21 Kapoustine's independent development efforts. Mr. Kapoustine is not attempting to
22 contact customers, disparage the company, or interfere with its operations, conduct that

1 he does not oppose being enjoined. Rather, Mr. Kapoustine asserts that he should be
 2 allowed to use his own preexisting technology, developed well before Plaintiff or 1st1 were
 3 formed, and is now working on a distinct product based on that foundation.

5 The Court should not view fair, open market competition as a threat to causing
 6 irreparable harm to the Plaintiff. This principle was clearly affirmed in *Amazon.com, Inc.*
 7 *v. Powers*, 2012 U.S. Dist. LEXIS 182831, where this court declined to enforce a broad
 8 non-compete clause that would have barred a former Amazon executive from working at
 9 a competing company in the cloud computing space. The court held that while restrictions
 10 narrowly tailored to protect customer relationships may be enforceable, general bans on
 11 competition must be justified by concrete evidence. Amazon failed to demonstrate that
 12 Powers could not compete fairly, and the court emphasized that “a general ban on [his]
 13 competing against Amazon... is not a ban on unfair competition; it is a ban on competition
 14 generally,” which the law does not permit.

18 Here, similar to the plaintiff in *Powers*, Plaintiff also asks the Court to adopt a
 19 sweeping prohibition that would prevent Mr. Kapoustine from engaging in any business
 20 that could arguably compete with DejaVuAI. But Plaintiff has not identified any specific
 21 client relationships, trade secrets, or business interests that would be jeopardized by Mr.
 22 Kapoustine’s continued work. Rather, Mr. Kapoustine is seeking to develop technology
 23 based on source code he created before his affiliation with Plaintiff, and he has expressly
 24 agreed not to contact Plaintiff’s customers, disparage the company, or interfere with its
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1 operations. Just as in *Powers*, Plaintiff cannot eliminate future market competition
 2 merely by invoking a general concern over competitive harm. Without more, such
 3 speculative concerns cannot justify the extraordinary relief of a preliminary injunction.
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5

6 **E. Equitable Considerations Favor Mr. Kapoustine, Who Was**
 7 **Discharged Without Compensation and Would Be Barred from Using His Own**
Invention to Make an Earning and Support His Living.

8 The equity weighs strongly against maintaining the TRO's broad competition ban.
 9
 10 Mr. Kapoustine was unilaterally terminated by Plaintiff without severance or continued
 11 pay, yet Plaintiff now seeks an injunction to enjoin him from using the technology he
 12 independently created, developed, and maintained way before having any involvement
 13 with Plaintiff, to support himself. Preventing Mr. Kapoustine from earning a livelihood
 14 and accumulating wealth during the entire period of this lawsuit based on his own
 15 technology (and the underlying source code) would be fundamentally unfair and
 16 inequitable.

17
 18 Courts assessing injunctive relief consider whether the balance of hardships favors
 19 the moving party. Here, Plaintiff has not shown that it will suffer any actual harm if Mr.
 20 Kapoustine is allowed to continue independent development of his technology and
 21 lawfully conduct business based on it. In contrast, enforcing the broad competition bar,
 22 as entered in the TRO, would deprive Mr. Kapoustine of his right to pursue fair business
 23 opportunities and his ability to earn a living. Equity does not support such an outcome.

1
2 **F. No Public Interest Would Be Served by Banning Mr. Kapoustine**
3 **from Competing Using His Own Preexisting Work.**

4 Washington law recognizes that workforce mobility and fair competition are in the
5 public interest. RCW 49.62.005 expressly states that promoting employee mobility is
6 essential to economic growth and innovation. Enjoining Mr. Kapoustine from using source
7 code and technology he developed prior to his affiliation with Plaintiff would not protect
8 trade secrets or prevent unfair competition—it would simply suppress lawful innovation
9 and harm the public interest in open market participation.
10

11 Courts have repeatedly declined to use injunctive relief to restrain former
12 employees or directors from competing, absent clear evidence of misuse of confidential
13 information or breach of enforceable agreements. E.g., *Powers*, 2012 U.S. Dist. LEXIS
14 182831. Preventing a software engineer and an inventor of cutting-edge technology from
15 directly benefiting from his own work and own invention would only chill innovation and
16 overreach the proper scope of equitable relief.
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20 **V. CONCLUSION**
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22 For the reasons discussed above, Plaintiff has not met its burden to justify
23 extending the bullet-pointed Paragraph 3 of the TRO as part of any preliminary
24 injunction. Mr. Kapoustine has resigned from the board, eliminating any ongoing
25 fiduciary duties that would justify a competition ban; the alleged contractual constraints
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1 based on the PIIA are likely to be void and unenforceable. Plaintiff has not demonstrated
 2 a likelihood of success on its other cause of action, nor has it shown irreparable harm from
 3 Mr. Kapoustine's lawful competition with Plaintiff, if it ever occurs. The weighing of
 4 equity and public interest considerations strongly favors Mr. Kapoustine and against an
 5 overbroad injunction as requested by the Plaintiff.
 6

7 Accordingly, the bullet-pointed Paragraph 3 of the TRO, or any similar language
 8 that would be a broad competition ban, should not be included in any preliminary
 9 injunction that may be entered by the Court. If the Court determines that some limitation
 10 on competition is warranted, Mr. Kapoustine requests that any such restriction be
 11 narrowly tailored in scope and duration to protect Plaintiff's proven and legitimate
 12 interests without unfairly impairing his ability to work on the technology that he
 13 independently invented and developed prior to his affiliation with Plaintiff, and to directly
 14 benefit from his technology and the source code by engaging in business and making an
 15 earning based on them.

16
 17 **I certify that this memorandum contains 4,203 words, in compliance with**
 18 **the Local Civil Rules.**

24 DATED: July 14, 2025.
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1 SHANZE PARTNERS PLLC
2
3

4 By: /s/Zhizhou Wang
5 Zhizhou Wang, WSBA #53166
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2 **CERTIFICATE OF SERVICE**
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5 I hereby certify that on July 14, 2025, I caused the foregoing document to be
6 electronically filed with the Clerk of the Court using the CM/ECF system which will send
7 notification of the filing to all counsel of record.
8

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10 DATED this July 14, 2025, 2025.
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13 Respectfully submitted,
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15 Shanze Partners PLLC
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29 */s/ Zhizhou Wang*
30 Zhizhou Wang, WSBA #53166
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